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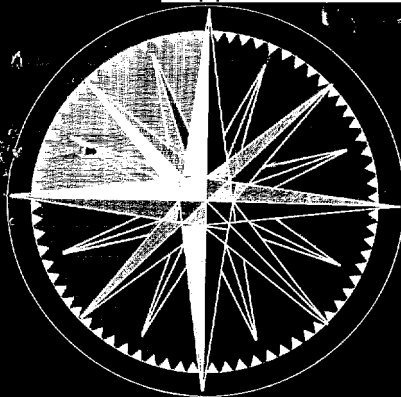
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30 April 1965

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WEEKLY SUMMARY

State Dept. review completed.

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

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THE COMMUNIST WORLD

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SOVIET ECONOMY STILL SLUGGISH

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Despite the USSR's claim of a 9-percent increase in industrial growth in the first quarter of 1965, analysis of the official announcement of economic plan results shows that actual growth was about the same as the six percent estimated for the first quarter last year.

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WESTERN HEMISPHERE (continued)

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INSURRECTION IN THE DOMINICAN REPUBLIC

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The situation remains fluid as on noon 29 April. Well-armed mobs, controlled by Communists, are strongly entrenched in the heart of Santo Domingo. This situation led to the 28 April appeal by the head of the military junta for US help to restore order.

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OSLO CONCERNED ABOUT SOVIET ACTIVITIES IN NORTHERN NORWAY 11
The Norwegian Government is concerned about the susceptibility of the isolated population of northern Norway to the increasingly blatant activities of the Norwegian-Soviet Friendship Society.

EURATOM AND EUROPE'S NUCLEAR REACTOR INDUSTRY 12
Following a symposium this month in Venice of European industrialists and national nuclear energy agency officials, the EURATOM Commission will begin drawing up guidelines for development of Europe's nuclear power industry under EURATOM auspices. As in any matter affecting the European community, the success of such a plan depends heavily on positions to be taken by France.

DE GAULLE STRESSES FRANCE'S NATIONAL INDEPENDENCE 13
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WESTERN HEMISPHERE

DISSENSION IN JAGAN'S PARTY IN BRITISH GUIANA 14
This year's annual conference of ex-premier Jagan's Communist-dominated opposition party was marked by bitter dissension over policy and leadership which, at best, was only papered over.

BANKING CRISIS INCREASES URUGUAY'S ECONOMIC PROBLEMS 14
A bank run has forced the country's second largest private bank to close and now threatens several others. The economic and political repercussions of further closures might completely destroy the public's already shaken confidence in Uruguay's cumbersome nine-man collegial-type government.

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Vietnam

VIETNAM

Hanoi is apparently attempting to maintain a middle ground between the Chinese and Soviet positions on Vietnam, probably hoping to extract the maximum amount of assistance from each party in defending itself against US and South Vietnamese air attacks. In South Vietnam, the pace of Communist-initiated actions remained low during the past week, probably reflecting preparations for a major new military effort which may be timed to coincide with the rainy season beginning in May.

DRV Political Developments

High-level discussions between DRV and Chinese Communist leaders in Peiping ended last week. Although neither side has commented on their nature or results, the talks almost certainly included the question of Chinese and Soviet assistance to the DRV and the Viet Cong, and on the prospects for the Communist insurgency in view of the increasing, direct US involvement in the war.

Hanoi now expects the air attacks against the DRV will be intensified and expanded to the industrial centers in the North.

It appears that the North Vietnamese have begun to gird for the long pull in defending against the air strikes.

Despite the DRV's more sober view of the Communist prospects in Vietnam, there was no indication during the week of any further give in its terms for a settlement of the war. Regime propaganda continued to reiterate the formula set forth by Premier Pham Van Dong several weeks ago, which includes a cessation of attacks on the DRV and a withdrawal of US forces from Vietnam. These proposals are labeled by Hanoi as the "basis" for the "soundest" settlement, words apparently introduced to indicate some degree of flexibility.

This formulation was first broached shortly before the joint Soviet-DRV talks in Moscow, and may have represented a Hanoi effort to appear responsive to Moscow's more moderate position on the Vietnam question. Last week, North Vietnamese propaganda continued to maintain a relatively balanced coverage of Chinese and Soviet pronouncements on the war; until recently, DRV media had heavily emphasized Chinese views on Vietnam.

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Vietnam

DRV Military Developments

US and South Vietnamese aircraft kept up the daily pace of air strikes [redacted]

[redacted] against targets south of the 20th parallel. Makeshift bridges, reminiscent of the Korean war, are appearing on roads in both North Vietnam and Laos. Some supplies are apparently still getting through, however.

position apparently stemmed from conversations in Djakarta with Chou En-lai who, according to Sihanouk, stated that the Chinese would not attend a meeting on Cambodia if the US attempted to exploit it for discussions of Vietnam. On 29 April in Peiping, Chou declared that China fully supported the Cambodian position that the conference could not be used to discuss the Vietnam question.

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It is clear that the Chinese are intent on sabotaging the scheme despite their prompt endorsement of the idea on 18 March. The Chinese may be fearful that informal conversations connected with a new Geneva meeting might undercut Peiping's efforts to ensure continuation of the war in Vietnam.

The Chinese now have publicly rebuffed several proposals for a negotiated settlement of the war. On 22 April, they denounced the Belgrade appeal for peace talks as "completely catering to the interests of US imperialism." On 25 April, Chou En-lai warned that "failing" a US withdrawal from South Vietnam, there can be no talk about a peaceful settlement. On 27 April, NCNA assailed Indian President Radhakrishnan's proposal for a cease-fire and an Afro-Asian force to police the boundary between North and South Vietnam.

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[redacted] the surface-to-air missile site southeast of Hanoi is still under construction, but the essential elements--six launcher revetments and a guidance area revetment--now are completed. There is still no evidence of the arrival of Soviet equipment, however. This equipment is probably en route by rail through China.

The Cambodian Conference

Prince Sihanouk suddenly developed "reservations" concerning his proposed Geneva conference on Cambodia last week. In speeches on 23 and 24 April, he declared that US and South Vietnamese participation in such a session was "unnecessary." His change in

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SECRET**Vietnam**

The USSR has been positive though cautious in voicing its approval of an international conference on Cambodia.

Soviet Ambassador Dobrynin commented that a Cambodian conference was the only possibility now available for any sort of discussions, and it might provide an opportunity for "corridor talks" on Vietnam. In his initial talk with the French this week, Soviet Foreign Minister Gromyko indicated that the USSR continued to look favorably on a Cambodian conference, but did not offer any further elaboration on Moscow's attitude.

Soviet Deputy Foreign Minister Zimyanin said that he recognized the need for early action on a co-chairmen message regarding the Cambodian conference.

South Vietnam

Viet Cong main force units continued last week to avoid contact with South Vietnamese Government forces, and acted only when government forces entered guerrilla-controlled areas.

[redacted] troop sightings have indicated a buildup of Communist forces in southern Quang Tin and northern Quang Ngai provinces. The lack of contact in a recent 12-day government operation in the Kontum area formerly occupied by strong Viet Cong forces suggests they have moved to the Quang/Tin Quang Ngai area.

Preliminary field analysis [redacted] indicated the presence of two Viet Cong antiaircraft sites near Tam Ky in the northern province of Quang Tin. One of the sites reportedly may contain 37-mm. guns. Antiaircraft artillery has not previously been discovered in the hands of the Viet Cong.

The prolonged lull in Viet Cong actions and the inactivity of main force units is believed to be a temporary phase in the war which can be abruptly changed by the Communists. It is still anticipated that during the forthcoming rainy season the Viet Cong will make a major effort, the initiation of which could possibly coincide with Communist May Day celebrations.

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USSR: OFFICIAL RATES OF GROWTH IN PRODUCTION OF INDUSTRIAL COMMODITIES, 1964-65

(Percentage Change from Corresponding Period of Previous Year)

	1964		1965	
	1st Quarter	Full Year	1st Quarter	Full Year (Planned)
Gross Industrial Production *	8	7	9	8
Industrial materials				
Rolled steel	7	6	7	5
Electric power	13 **	12	9 **	11
Coal	5	4	5	1
Petroleum, crude	10	9	7	8
Gas	18	20	16	17
Mineral fertilizers	20	28	27	31
Plastics and resins	26	22	16	28
Cement	1	6	11	7
Commercial timber	4	3	-1	***
Civilian machinery				
Chemical equipment	13	19	21	22
Oil equipment	2	22	25	***
Agricultural equipment	8	1	4	8
Consumer goods				
Television sets	21	18	15	28
Washing machines	29	25	18	23
Refrigerators	18	25	32	64
Fabrics	3	5	1	3
Leather footwear	4	3	0	1
Meat (State Slaughter)	-11	-23	15	12
Dairy products	-3	9	49	5

* Soviet official figures of industrial growth are 2 to 3 percent higher than CIA and other Western estimates

** Central stations only; 85% of total

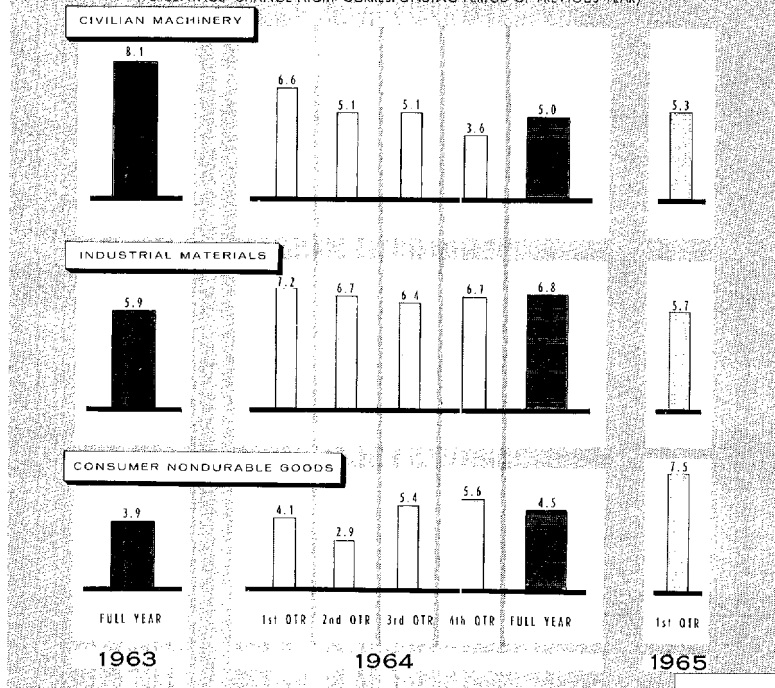
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USSR: RATES OF GROWTH FOR MAJOR COMPONENTS OF CIVILIAN INDUSTRIAL PRODUCTION 1963-1965

(PERCENTAGE CHANGE FROM CORRESPONDING PERIOD OF PREVIOUS YEAR)



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The Communist World

SOVIET ECONOMY STILL SLUGGISH

Despite the USSR's claim of a 9-percent increase in industrial growth in the first quarter of 1965, analysis of the official announcement of economic plan results shows that actual growth was about the same as the 6 percent estimated for the first quarter last year. There were wide variations, however, in growth rates of the three major categories--civilian machinery, industrial materials, and consumer goods.

The Soviet-announced 7-percent increase in machine building as a whole--including military hardware--is 2 percent below the official claim for the year 1964. This low rate may be the result of current emphasis on quality which requires retooling and re-equipping of enterprises. On the other hand, announced rates of growth for individual machinery categories suggest that growth in output of civilian machinery remained at about the same rate achieved in the whole of 1964--possibly reflecting some decline in the output of military hardware. Other information thus far available neither supports nor refutes this speculative interpretation.

The over-all growth rate for industrial materials further decreased. Several key industrial sectors--electric power, forest products, and chemicals--grew less than last year, and procurement of timber registered an absolute decline. The 9-percent increase in electric power consumption was the

lowest for any quarter since 1957 when the regime was reducing its defense spending and lowering industrial production goals in order to correct wasteful imbalances in industrial output. In the fuel industry during the first quarter of 1965, coal production ran sufficiently ahead of plan to offset slight below-plan performance in the extraction of oil and gas but not enough to better last year's growth rate for the industry as a whole. Low rates of increase in the power and fuel industries are a good indication of generally unsatisfactory economic progress.

A sharp recovery in the food-processing industry, which more than offset the slowdown in industrial materials, was responsible for the Soviet claim of a 9-percent growth in gross industrial production during the quarter. This recovery, however, merely reflected agriculture's comeback after the disastrous grain harvest of 1963. Output of meat and dairy products, for example, increased 15 percent and 49 percent respectively, compared with declines of 11 percent and 3 percent in the first quarter of last year.

Light industrial manufacture, which is grouped with food processing under consumer goods, showed no improvement over a year ago. As a result, consumer goods such as textiles and shoes continue to be inadequate to meet demand, even though growth for consumer durables continued to be high.

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The Communist World

PEIPING'S TRADE WITH EASTERN EUROPE TO EXPAND

Peiping's trade with Eastern Europe may expand this year, reversing a six-year decline from almost \$700 million in 1958 to about \$170 million last year. All China's recently signed trade pacts with Eastern Europe except the one with Bulgaria call for significantly increased trade in 1965. Special emphasis has been placed on expanding Chinese imports of industrial goods, possibly to replace some goods formerly purchased from the USSR.

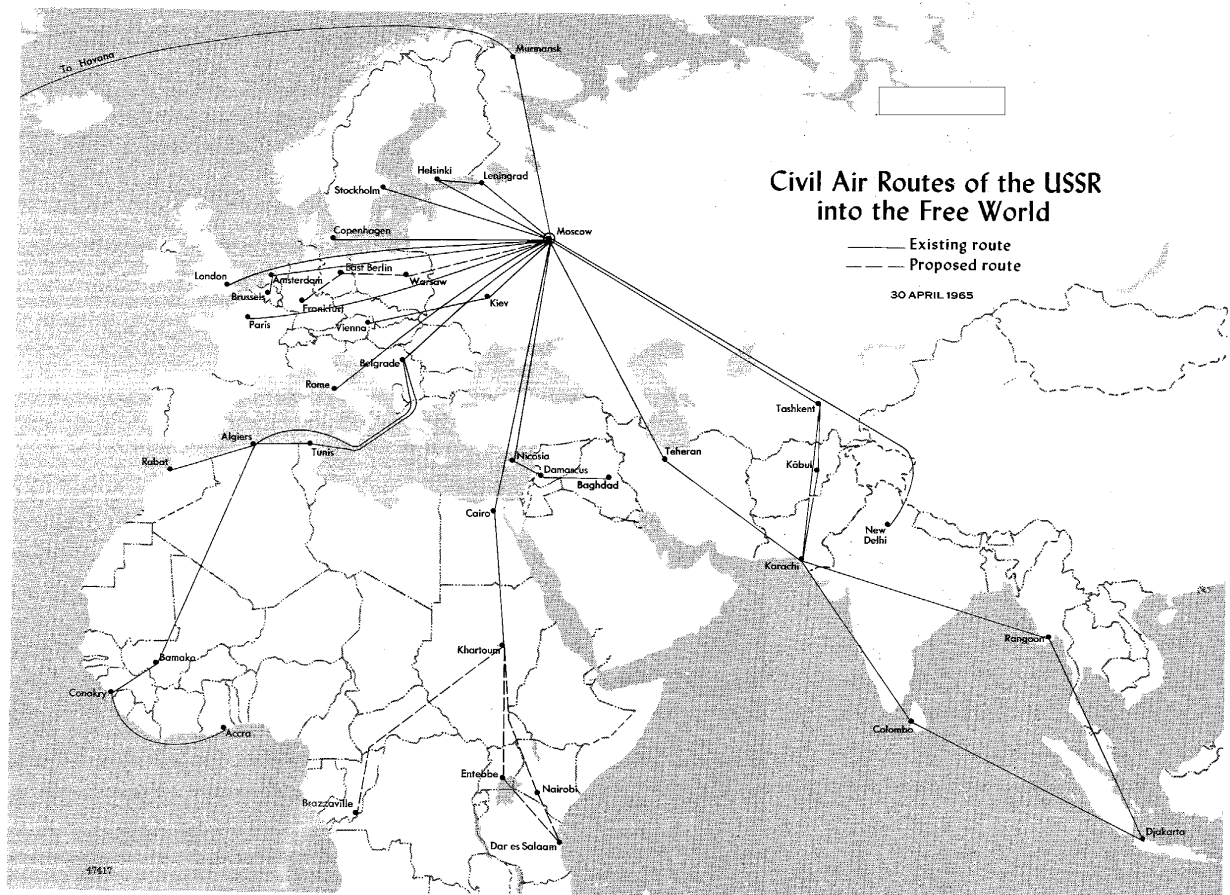
Most of the new trade pacts provide for Chinese imports of cargo ships and other transportation equipment, machinery, and steel products. In addition, Hungary and Czechoslovakia will provide telecommunications and measuring equipment, and Rumania will supply drilling equipment and continue to ship petroleum products. In exchange, China will expand exports of textiles, minerals, farm products, and light industrial goods--items with limited markets in the free world.

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The Communist World

COMMUNIST STATES EXPANDING INTERNATIONAL AIR ROUTES

The USSR still is the most active bloc country in international civil aviation, but other Communist states are pressing for additional air routes. Several East European airlines are implementing plans proposed well over a year ago for flights to the Middle East and Africa. Communist China is laying some groundwork for future routes through bilateral air agreements, although it is unlikely to initiate large-scale international air service any time soon.

Moscow, which thus far has had to secure Sudanese permission for individual flights to Congo (Brazzaville), is pressing for an amendment to the Soviet-Sudanese air agreement which would permit regularly scheduled service there from Khartoum. Anticipating a favorable response to a request for landing rights in Kenya, Uganda, and Tanzania, the USSR probably will try also to get permission for Soviet flights via Khartoum to East Africa.

Although the USSR has emphasized air service to the less developed countries, it also is trying to expand its service to Western Europe. The first direct service between Rome and Moscow was inaugurated this month, and negotiations are in progress with West Germany.

Czechoslovakia, second to the USSR in expanding the bloc's

international air routes, added a sixth African nation to its list with the initiation of regular flights to Algeria in April. Signature of an air agreement with the Sudan is pending, but may be held up by Czech demands for beyond rights to East and West Africa.

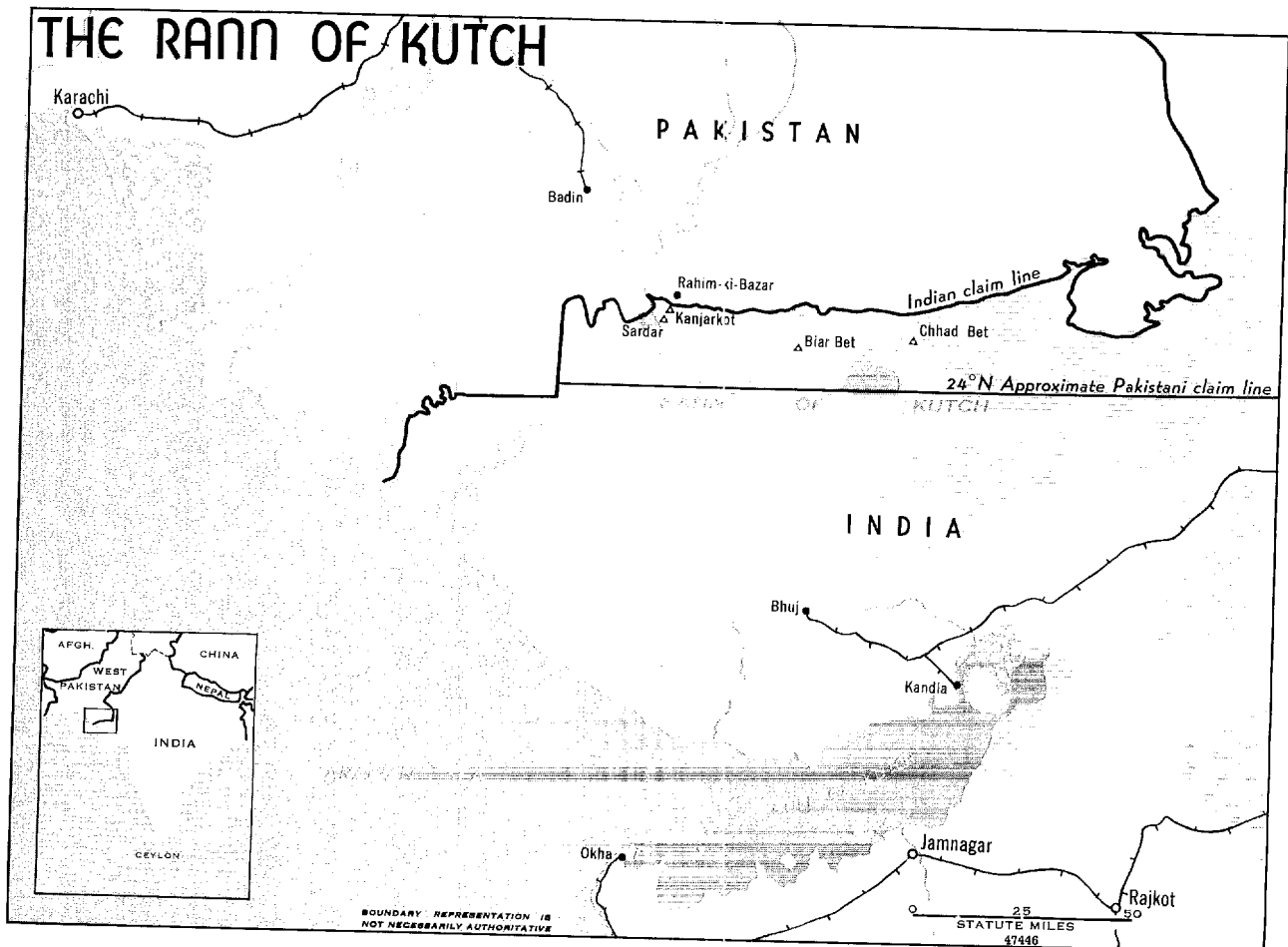
Hungary began its first service to the Near East with the inauguration of a Budapest-Athens-Nicosia-Damascus route in April.

Poland concluded an air agreement with Algeria in February and announced its intention to establish a flight between the two capitals and then to expand service eventually to include West Africa. No date has yet been announced for inauguration of the Warsaw-Algiers route.

Communist China reportedly has gained Afghanistan's approval in principle for regular flights to Kabul and on to Rawalpindi and Karachi, Pakistan. The Chinese are also negotiating a civil air agreement with the UAR. If these talks are successful, China will have air agreements with seven non-Communist countries, and interline agreements--ticketing arrangements--with about eleven. Its actual international air service at present, however, is limited to twice-weekly flights to Burma.

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Asia-Africa

INDIA AND PAKISTAN CLASH IN RANN OF KUTCH

Strenuous diplomatic efforts, especially by the British, are under way to promote a cease-fire in the desolate salt marsh known as the Rann of Kutch, where earlier this week Indian and Pakistani troops engaged in their heaviest fighting in 17 years.

When fighting subsided late on 26 April, Pakistan held the disputed ruins of Kanjarkot Fort, a rise of land at Biar Bet, and a salient between Biar and the Indian post at Chhad, all south of India's claim line (see map). Since the first skirmishes on 9 April each side has committed more than 5,000 troops to the 50-mile front and sporadic shelling and patrol activity continue.

The boundary in this area has lain undemarcated since independence. Pakistan contends that the area, which is largely inundated for at least half the year, has the characteristics of an inland sea and should therefore be divided through the middle, roughly along the 24th parallel. Its repeated cease-fire offers are predicated on mutual withdrawal of forces. India contends the boundary runs along the northern edge of the Rann and refuses to consider cease-fire terms based on an equation of mutual withdrawal.

Neither side gave the area much attention until a chance encounter between Indian and Pakistani patrols last January. At some point in the developing confrontation, Pakistan apparently chose to use the situation

as a pressure point in retaliation for India's high-handed actions along the East Pakistan border. This fits in with Pakistan's larger policy of keeping the Indians under pressure when and where circumstances permit. With the nearest Indian railhead to the scene of the fighting more than 80 miles away over barren marsh and salt flats, the location was ideal from the Pakistani viewpoint.

While thus exploiting its local advantage Pakistan has avoided any build-up of a larger crisis atmosphere. India, on the other hand, has sought to compensate for its local military disadvantage--and Pakistan's apparent gains through the use of tanks--by encouraging a crisis atmosphere, by threatening retaliation elsewhere and by engaging in extensive, and obvious, military preparations along other portions of the borders with both East and West Pakistan.

Neither side wants a larger war, but each has become so rigid in its requirements for peace in the Rann that finding a meeting ground will be difficult. Nonetheless, there will be little high and dry ground in the Rann for any troops to stand on six weeks from now when the monsoon has begun. Thus, the best that might result from the current British initiative is some form of cease-fire with forces left in place, followed by discussions after the monsoon has resolved the problem of effective disengagement and withdrawal.

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Asia-Africa

MALAYSIAN-INDONESIAN SUMMIT MEETING REMAINS UNCERTAIN

Prospects for the proposed Tokyo meeting between Indonesian President Sukarno and Malaysian Prime Minister Rahman are unclear. Sukarno has notified the Malaysians and Japanese that he now agrees "in principle" to meet with Rahman in Tokyo during the last week in May. Rahman had hoped to arrange the meeting during the first week in May, when he will be in Japan for the Asian Football Games.

Even if Sukarno does agree to a May meeting, the question of Philippine participation will have to be resolved. Sukarno in the past has insisted that peace talks include the Philippines, which claims a portion of Malaysian Borneo. He almost certainly hopes thus to put Rahman at a psychological disadvantage. Rahman is equally unwilling to associate the

Malaysia-Philippines dispute with the question of Indonesian confrontation, and is determined that the proposed Tokyo talks be bilateral.

The military situation generally has been quiet, but a step-up in fighting along the Borneo border may be in prospect. An attack on a British border post in western Sarawak by an estimated 100 Indonesian troops on 27 April was repulsed by artillery fire. This action was the largest Indonesian military action against Malaysian Borneo since last summer.

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POLITICAL RIVALRY BETWEEN CONGOLESE PREMIER AND PRESIDENT

While sporadic military activity against the rebels continues in the northeast Congo, a political storm is brewing in Leopoldville between President Kasavubu and Premier Tshombé over the office of the presidency, the constitutional locus of power.

Tshombé evidently is considering running against Kasavubu when presidential elections are held several months hence. Until recently, it seemed that the two would work out a deal in which Tshombé would support Kasavubu for the presidency in return for Kasavubu's handing over the actual powers of the office to Tshombé. Such a deal seems less likely now, as

Tshombé measures his growing domestic political strength. On the basis of partial returns in the current parliamentary elections, the US Embassy estimates that parties affiliated with Tshombé's CONACO party will win a majority of the seats.

Anti-Tshombé elements have played on Kasavubu's fears of being supplanted in order to get him to name a new premier. This seems unlikely, for it would almost certainly cause Tshombé to take over by force.

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Asia-Africa

NEW "THIRD FORCE" GOVERNMENT FORMED IN YEMEN

The formation of a "third force" government in Yemen on 24 April marks a new approach toward a peaceful settlement after two and a half years of civil war and Egyptian intervention. Nasir, who still has some 50,000 troops in Yemen, evidently is accepting a cabinet dominated by figures critical of Egyptian dominance in the hope that it may in time allow for Egyptian withdrawal without loss of face.

The new government headed by Ahmed Numan arose out of a series of developments since the first of the year which had a distinctly anti-Egyptian cast. In early January a hard-line pro-Egyptian regime was formed under Hasan al-Amri following the collapse of its predecessor under the impact of military failures and civilian resentment. Opposing Amri was a group of former cabinet ministers both hostile to Imam Badr's royalists and committed to the notion that a solution to the civil war could be reached only by the Yemenis themselves after the withdrawal or sharp reduction of the Egyptian military forces. This "third force" gained strength when some prominent politicians appointed to the Amri government refused to serve, and when even Amri himself was said to be protesting the ruthlessness of Egyptian military tactics.

Reaction to the assassination of the "third force" leader

on 1 April aggravated the anti-Egyptian trend. Although royalists probably were responsible for his death, Yemenis generally blamed it on the Egyptians. Faced with this evidence of widespread dissatisfaction, growing "third force" political strength, and royalist military gains, Amri resigned.

Premier Numan has manned his cabinet with other anti-Egyptian Yemeni republicans. A presidential council has been formed, presumably to limit the power of pro-Egyptian President Sallal. Numan's announced program stresses the achievement of peace, internal stability, and economic development through the republican system.

The government's tenure depends initially on endorsement by a conference of northern tribal chiefs within the next few days. To survive for long it must secure a suspension of old personal and tribal feuds which have multiplied during the civil war. At least until Nasir withdraws his troops it will also depend on Egypt's abstention from involvement in internal Yemeni matters. For the moment at least Nasir evidently is prepared to tolerate a generally anti-Egyptian regime in the hope that it may be able to negotiate a ceasefire and allow him to stem the drain on Egypt's resources, but still save Egyptian honor by leaving a republican form of government in power.

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Europe

MORO GOVERNMENT IN ITALY FACES NEW LABOR AGITATION

Italian Premier Moro's recent US visit has enhanced his personal stature, but this advantage may soon be diminished by the number of economic problems plaguing his government.

Labor agitation is a particularly acute problem at the moment. Transportation unions emboldened by a 90-percent turnout for a rail strike on 13 April, have threatened walkouts of rail, air, and maritime workers if the government fails to meet their demands for bonus payments. Government-labor negotiations on this question are presently stalemated. Another motive to strike is the refusal of Confindustria (the Italian version of a national manufacturers' association) to satisfy union demands to limit the number of workers to be laid off in the current economic slump.

The proceedings at a congress of the Communist-dominated Italian General Confederation of Labor (CGIL) that wound up early this month probably foreshadow other labor problems for the government. The CGIL advocated the application of mounting pressure for higher wages, and attacked the "incomes policy" contained in a five-year national economic program which the government hopes to present to Parliament soon. The CGIL, however, will be somewhat inhibited by workers' apprehension regarding job security.

Meanwhile leaders of the Communist Party have stepped up

attacks on the government for failing to enact long-promised social and economic reforms. In a major address to the party central committee on 21 April, secretary general Luigi Longo insisted that the labor unions now must press for "structural reform," as well as the more narrow range of labor interests.

Hostility toward some aspects of the five-year program was also evident at a 22-25 April congress of the Christian Democratic - oriented Italian Confederation of Trade Unions (CISL). In particular, CISL echoed the CGIL's denunciation of the government's proposal to link wage increases to productivity.

Despite precarious situations in key sectors--notably the construction, textile, and mechanical industries--there have been some recent signs of improvement in the Italian economy. Budget Minister Pieraccini has pointed to a developing trend toward the resumption of normal working hours, notably in the automobile industry. He also noted that the rate of price increases in the first quarter of 1965 had slackened compared with the same period of 1964. Pieraccini's apparent optimism is supported to some extent by the latest official monthly economic survey, which reports increasing production, especially in manufacturing.

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Europe

OSLO CONCERNED ABOUT SOVIET ACTIVITIES IN NORTHERN NORWAY

The Norwegian Government is becoming concerned over the USSR's efforts to increase its influence in northern Norway. Moscow's interest in this sparsely populated, but potentially strategic area has become increasingly pronounced since Khrushchev's visit to Norway last July.

The main thrust of the Soviet campaign is to promote overt contacts with local citizens through the Norwegian-Soviet Friendship Society. This organization arranges such things as cultural exchanges and travel plans for visitors to and from the Soviet Union, and distributes a highly regarded Soviet news bulletin which is edited and published in Oslo. The society's activities, however, have recently taken on a distinctly political tinge. It is presently collecting signatures of North Norwegians, many of them prominent citizens, in support of a resolution calling for closer friendship with the Soviet Union.

The aim of these activities apparently is to build up a reservoir of good will in northern Norway which the USSR might later exploit in any effort to weaken Norway's defenses in the area and undercut its NATO commitments. Working to the Soviets' advantage is a small

but hard-core Communist Party in the area, and the isolation of the local inhabitants, whose lack of sophistication makes them susceptible to Soviet cajolery, including the suggestion that a cutback in Norwegian defense spending would mean more money for their territory.

The government in Oslo, dubious about the loyalties of the North Norwegians, is undertaking a study of their attitudes as they might affect defense planning.

the Foreign Ministry's apprehension is not shared by most Norwegians, who show considerable enthusiasm for expanding contacts with the Soviet people. The government therefore feels it cannot drastically curtail the Soviet "friendship campaign" without provoking adverse public reaction.

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Europe

EURATOM AND EUROPE'S NUCLEAR REACTOR INDUSTRY

A symposium this month in Venice of European industrialists and officials representing the national nuclear agencies of Common Market countries seems to have given new impetus to the formulation of a community-wide plan for development of Europe's nuclear power industry under the auspices of EURATOM. Although the French challenged the EURATOM Commission's competence to shape such a policy, the consensus achieved was considered sufficient to permit that body to draw up an initial set of guidelines. These will be submitted for approval to EURATOM's Economic and Social Committee, then to the European Parliament, and finally to the EURATOM Council.

The position of the French is ambiguous. They are eager for economic reasons to see a European market for reactors developed, but anxious also to keep EURATOM in a subordinate role. It is uncertain therefore how they will respond to the commission's plan when it reaches the council.

Indicative of the ambitious goals envisaged by EURATOM is one of two working studies it circulated at Venice which projected an eightfold increase in energy production in Europe between 1965 and the year 2000. The paper also forecast that nuclear power reactors will be supplying at least one third of total energy needs in 2000, and

about two thirds of electric power demands. A development of this magnitude would offer profit possibilities on the order of billions of dollars. Indeed, the export market in Europe for US-made power reactor components is already a multi-million-dollar business.

Because of its virtual monopoly of the nuclear development field in continental Europe, France has a major stake in the direction any reactor program may take. If EURATOM adopts an industrial policy based essentially on local production of nuclear equipment and fuel, France is more likely to retain its present lead and the US nuclear industry may not be able to participate as fully in the expected market for power reactors in the 1970s and beyond. France, in fact, has been pressing its community partners to abandon research on US-type reactors in favor of the so-called ORGEL reactor which is designed as an intermediate source of power between the present day "proven" reactors and the "fast breeder" projected for the 1980s. Paris is also pushing independent Community experimentation with the "fast breeders." Meanwhile, the French are urging greater use of their own "European" reactor types which do not depend on US-supplied enriched uranium fuel.

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Europe

DE GAULLE STRESSES FRANCE'S NATIONAL INDEPENDENCE

Determination to assert France's freedom of action was the core of De Gaulle's 27 April television address. A curiously defensive note was apparent, however, in his insistence that he has not isolated France from its allies.

De Gaulle seemed to have felt the need to reassure his listeners that Soviet Foreign Minister Gromyko's presence in Paris did not foreshadow a new orientation in French policy. He took pains to enumerate the different types of international accords France has entered into in recent years with a number of different countries. His intention seemed to be to stress that any parallel between French and Soviet positions on such questions as Southeast Asia, the UN, and disarmament was the result of decisions made in Paris based on the merits of each individual case.

An unusual concession to criticism shows through De Gaulle's rejection of the charge of Machiavellianism. He insisted that his foreign policy is motivated not by any desire to give offense to the US but by

a determination to develop a purely national role for France. This point is emphasized in his refusal to tolerate either US control of French technical development or France's complete reliance on the US nuclear umbrella.

In the same vein, he heaped scorn on the idea of a supranational European community. His ire seems to have been aroused by a growing awareness that France's national sovereignty is becoming increasingly circumscribed as economic integration advances. A tip-off of this attitude was the announcement last week that cabinet ministers would henceforth be obliged to get written approval of their commitments to the Common Market.

Despite speculation that this talk was to have been the opening speech in the presidential election campaign, De Gaulle referred only obliquely to domestic political matters. It may, nevertheless, have had electoral connotations in view of the virtual certainty that De Gaulle will base his campaign as much on the enhancement of France's international prestige as on the promotion of internal stability.

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Western Hemisphere

DISSENSION IN JAGAN'S PARTY IN BRITISH GUIANA

British Guiana's opposition party, ex-premier Cheddi Jagan's Communist-dominated People's Progressive Party (PPP), concluded its annual conference on 19 April. It was marked by bitter dissension over policy and leadership which, at best, was only papered over.

The conference apparently debated at length whether the PPP should rely primarily on violent or peaceful means in opposing the Burnham government. The militant element urged that the party continue its boycott of the legislative assembly (in which 24 of the 53 deputies represent the PPP) and initiate an extensive campaign of sabotage and terrorism. The moderates, led by Jagan, defeated the boycott proposal, but there is no assurance that they will be able to keep an effective rein on the extremists.

On the matter of leadership, there was no effective challenge to Jagan's supremacy but a bitter contest was fought over the posi-

tion of party general chairman, the second-ranking slot in the PPP hierarchy. The struggle was between incumbent Brindley Benn, an ardent extremist who recently toured Africa seeking support for the PPP's fight against "imperialism," and Ashton Chase, the choice of party moderates. A party split may have been avoided only by Jagan's personal intervention. His solution, which is clearly a stop-gap arrangement, called for postponing the election of a general chairman for up to a year, and turning the chairman's duties over to a five-man "administrative council" to which both Benn and Chase have been appointed.

The net result of the PPP conference is likely to be a weakening of the party's effectiveness as the opposition. Indeed, it may yet split apart.

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BANKING CRISIS INCREASES URUGUAY'S ECONOMIC PROBLEMS

Uruguay's badly overextended banking system is under growing pressure following a bank run which forced the second largest private bank into receivership on 21 April and now threatens several others. Should more banks close, the resulting economic and political repercussions might completely destroy the public's already shaken confidence in the country's cumbersome nine-man collegial-type gov-

ernment. Under such circumstances, Uruguay would be at a crossroads, forced to choose between changing its way of government or risking political and economic chaos.

So far the government has not had to take such drastic measures as calling a bank holiday, thanks to a strike by the Communist-led bank employees' union. In a rare display of unanimity, however, the

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government has proposed legislation providing for direct executive control of private banks, supervision of credit, and a guarantee of individual deposits up to about \$2,100 per person at the official rate of exchange. This action may well restore the confidence of small depositors, but promises no relief should large domestic and foreign creditors demand payment. The central bank, its reserves depleted by a chronic balance-of-payments

problem, is in no position to help meet these demands.

The situation is likely to be further complicated by the recent arrival in Montevideo of several hundred Communist-supported sugar workers to protest their economic grievances. The uneasy atmosphere generated by the banking crisis could facilitate Communist plans to incite the workers to violence.

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INSURRECTION IN THE DOMINICAN REPUBLIC

The situation in the Dominican Republic remains fluid as of noon, 29 April. Well-armed mobs, controlled by Communists, are strongly entrenched in the heart of Santo Domingo. This situation led to the 28 April appeal by the head of the military junta for US help to restore order.

The Uprising

A coup led by dissident army officers and supporters of exiled President Juan Bosch toppled the provisional government of Donald Reid Cabral on 25 April. Ranking military leaders were unwilling to defend Reid's government in the face of the determined effort against him by junior army officers.

A sharp division quickly developed within the country's armed forces with one group favoring the immediate return of Bosch, the other adamantly opposed. The anti-Bosch group was led by Brigadier General Elias Wessin y Wessin, a principal architect of the coup which ousted Bosch in September 1963. As the opposing military forces canceled each other out, the power vacuum created was quickly filled by extreme leftist forces composed of the radical wing of Bosch's Dominican Revolutionary Party (PRD), two pro-Castro parties, and the Dominican Communist Party (PSPD).

A "provisional government" headed by Jose Molina Urena, president of the Chamber of Deputies in the Bosch regime, never exercised effective control of the situation because of heavy extremist infiltration into the rebel movement. Leaders of the Molina Urena government admitted that they were unable to maintain order in the city as rebel army elements distributed arms indiscriminately to civilian mobs which took to looting and sacking several parts of the city.

On 27 April forces headed by Wessin y Wessin and Brigadier General Salvador Montas Guerrero, former army chief of staff under the Reid regime, entered Santo Domingo in two columns from the east and west. Non-Communist rebel elements that had originally sparked the insurrection for the most part abandoned the struggle and took political asylum in various Latin American embassies. Over 800 of the estimated 2,300 Americans on the island were evacuated on 27 April.

The Junta

On 28 April the anti-Bosch forces announced the appointment of a three-man military junta composed of relatively obscure colonels from the three services. The junta has so far failed to attract any additional

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support; [REDACTED]

The head of the junta, air force Colonel Pedro Bartolome Benoit, warned US Ambassador Bennett that it was impossible to provide adequate protection for US citizens as looting and atrocities spread throughout rebel-controlled areas of the city. Early in the evening of 28 April a contingent of 550 US marines landed to cover the evacuation of US citizens and protect the embassy building. Later that evening Benoit appealed for armed US intervention to restore order. So far there are no reports of fighting outside Santo Domingo.

Meanwhile, from Puerto Rico, Juan Bosch has continued to exhort the rebel forces. On 29 April he stated in a broadcast relayed by a Venezuelan radio station that he had been in contact with the rebel military commander and assured that the fight would continue "until total victory is obtained."

The Communist Role

Early in the insurrection it became clear that the Communist Party and the Castroite parties --the 14th of June Group (APCJ) and the Dominican Popular Movement (MPD)--were committing their full resources to the rebel effort. Their spokesmen made inflammatory radio and television broadcasts aimed at inciting the mobs to violence. They also passed out arms and set up garrisons.

There is no evidence that the Castro regime or the bloc is directly involved in the current insurrection, but their influence in the affair is evident. [REDACTED]

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Bloc Reaction

Havana and Moscow predictably have condemned the "reactionary" Dominican military leaders for their "blood-thirsty repression" of the "popular uprising," and charged the US with "criminal intervention." Havana's propaganda media had early endorsed the pro-Bosch forces, but subsequently charged that Bosch himself "packed his bags slowly" while the "common people shed their blood."

Moscow is also hitting hard on the theme that the US sent the marines into Santo Domingo for the sole purpose of shoring up the reactionary military forces there. It claims that the US rationale is "threadbare."

Peiping has not yet had its say on the Marine landing, but will no doubt crow over an assertion it broadcast on 27 April that, because of the Reid government's overthrow, the US would look for the "first opportunity to intervene." [REDACTED]

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